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IN THIS ISSUE
NONFOODS BUSINESS
In Selected Editions Only

SUPERMARKET BUSINESS

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ISSUE 1 OF 2 PARTS

VOLUME 40 NUMBER 2
FEBRUARY 1985

PRODUCE
What it takes to be the best of the

A&P'S BLACK & WHITE STORE IN LIVING COLOR

FOOD HAVEN: ANATOMY OF A FAILURE

RETAILERS REASSESS THE NATURAL FOODS MARKET

PUBLISHER:
Jeffrey A. Schaeffer

EDITOR/ASSOCIATE PUBLISHER:
Kenneth P. Partch

SENIOR EDITOR:
Douglas T. Harris, Jr.

MANAGING EDITOR:
Robert J. Hughes

ASSOCIATE EDITORS:
Kevin Coupe
Marianne Skoczek

EDITORIAL ASSISTANT:
Caroline Craig

ART DEPARTMENT:
Karen Socider

INSTORE BUSINESS/SPECIAL PROJECTS CONTRIBUTING EDITOR:
Robert F. Dietrich

CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson, John Francis**
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**

CIRCULATION DIRECTOR:
Virginia Bucci Posner

PRODUCTION MANAGER:
Daniel Coakley

DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
914-528-1369

CORPORATE MARKETING SERVICES DIRECTOR:
Carol Fenshott

ADVERTISING SALES:

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Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
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CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard

MIDWEST REGIONAL SALES MANAGER:
George Stevens

Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318

WEST COAST:
Sue Marriff

Fieldmark Media, Inc.
16133 Ventura Blvd., Suite 700
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

PRESIDENT:
Jeffrey A. Schaeffer

VICE PRESIDENT, FINANCE:
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VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill

VICE PRESIDENT, EDITORIAL:
Kenneth P. Partch

AFFILIATED PUBLICATION:
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SUPERMARKET BUSINESS

PART ONE OF TWO PARTS

VOLUME 40
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FEBRUARY 1985

PRODUCE: WHAT IT TAKES TO BE THE BEST OF THE BUNCH/DOUG HARRIS, SENIOR EDITOR 17

The best produce retailers have clearly defined their commitment to their product—and it's obvious to their customers. Here, we look at five of the top produce sellers around the country, and at what makes them special—and their produce operations successful.

A&P SEES THE FUTURE, AND IT'S BLACK AND WHITE 26
BOB HUGHES, MANAGING EDITOR

Here's a look, in living color, at A&P's new black-and-white Future-store, in action. For all its stark, sleek style it's a warm, friendly store that's fun to shop. And it's a success.

BIG STAR-FOOD HAVEN: ANATOMY OF A FAILURE 30
KEVIN COUPE, ASSOCIATE EDITOR

This group of West Virginia supermarkets closed down after 34 years. The problems? Labor and management difficulties, increased competition and a depressed state economy.

BUILDING SALES ON IMAGE AT BILDNER'S/KEVIN COUPE 37

At this new, upscale Boston store, image is everything—but not the only thing. Customers also shop here for traditional supermarket mix.

ROUSE'S COOKS UP A CAJUN-STYLE PROMOTION 43
MARIANNE SKOCZEK, ASSOCIATE EDITOR

This Louisiana store staged a cooking promotion in a big way by inviting noted Cajun chef, Paul Prudhomme, to tantalize shoppers.

RETAILERS REASSESS THE NATURAL FOODS MARKET 49
MARIANNE SKOCZEK

Last year, supermarketers were forced to develop new, realistic expectations for this category—and strategies to achieve them. This may have pumped some new vigor into supermarket sales.

BULK FOODS SETTLE IN/BOB HUGHES 58

Bulk foods are no longer the born-again novelty at supers. Many are fine-tuning selections and health and sanitary guidelines.

IN BIG HORN, WYO., IT'S THE QUEEN FOR A DAY 62
MARIANNE SKOCZEK

Queen Elizabeth II visited a local store on the start of hunting season.

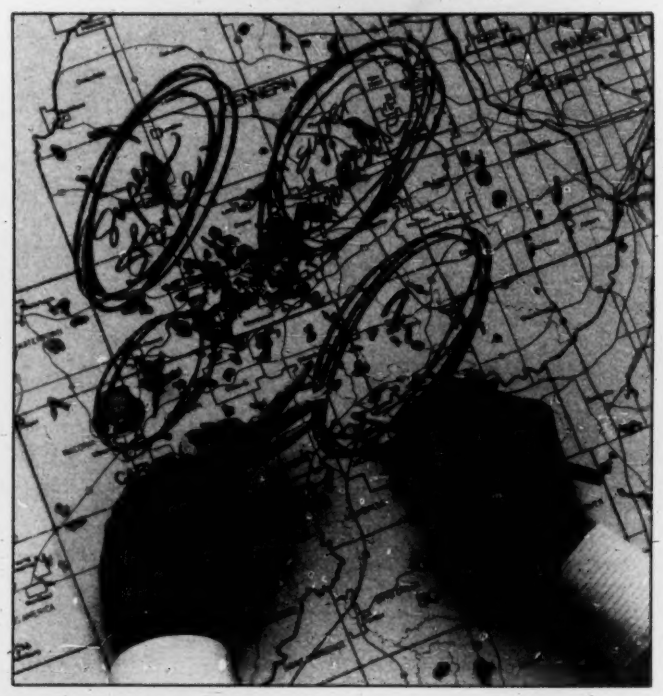
OTHER FEATURES AND COLUMNS

EDITOR'S VIEW 5
TRADESCAN 7
WASHINGTON BRIEF 11
TECHNOLOGY 13
ON MEAT 45
EXECUTIVE MOVES 46

ALSO IN THIS ISSUE:* NONFOODS BUSINESS—HOW TODAY'S SERVICE MERCHANDISERS MAP OUT TODAY'S MARKETS

*In selected editions only

NonFoods BUSINESS



PAGE 5B
HOW TODAY'S SERVICE MERCHANDISERS MAP OUT TODAY'S MARKETS
BY KEVIN COUPE, ASSOCIATE EDITOR
Just two years ago, service merchandisers thought they might become victims of the new, big super store formats. They thought they would be obsolete. But business is now on the upswing. Retailers have realized, says one service merchandiser, that "to remain competitive in the food area, you have to sell nonfoods."

PAGE 15B
NONFOODS FOR ART'S SAKE: A STRONG MIX ENLIVENS ART'S FAMILY CENTER
BY DOUG HARRIS, SENIOR EDITOR
Seattle shoppers know they can find all of their food and most of their nonfoods needs at Art's Family Center. The prices are assuredly low—the store displays competing stores' prices so shoppers know that Art's has the lowest prices.

PAGE 21B
SAMI UPDATE: HBA UNIT SALES VOLUME GAINS, BUT NOT BY MUCH
BY ALAN MILLER, JR.
It was a small gain for the most recent reporting period for HBA unit sales volume, but at least it was a gain. Especially compared to last year's 4.9 percent increase in sales volume for the same time period.

PAGE 24B
NEW PRODUCTS
ALSO IN NONFOODS BUSINESS:

Cover photo:
Jerry and Nancy Palubniak

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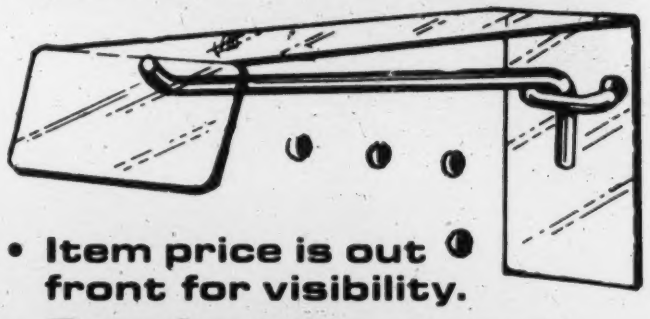

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SAMI UPDATE:
HBA Unit Sales Volume Gains, But Not By Much

BY ALAN MILLER, JR.

The gain of 1.1 percent for the most recent reporting period comes on top of a 4.9 percent increase for the corresponding period a year ago. That's a tough act to follow. But at least sales were up, if only slightly.

After incurring a loss rate of 1.4 percent during the period ending Nov. 9, 1984, unit sales in food stores for all HBA categories tracked by SAMI combined inched ahead 1.1 percent in the succeeding period that closed Dec. 7, 1984. This upward thrust, although modest, compares favorably with four-week trends in other SAMI departments. However, only refrigerated foods, with a tonnage advance of 2.8 percent, exceeded the HBA growth rate for this period. Among dry grocery: food categories a loss of 0.8 percent was registered while gains for dry grocery: nonfood and frozen foods were held to 0.1 percent and 0.3 percent, respectively.

During the preceding four-week period, national unit volume declines were found in six out of eight product groups. In the most recent reporting period, the ratio had turned around to a score of five to three product group gains over losses. At the product category measurement level, there were 22 with gains and 28 with losses, some improvement over the 17 increases and 33 declines in the preceding four weeks.

In the baby needs product group, there were two categories with unit gains: baby powders (+1.0 percent) and nursing supplies (+2.8 percent) and two more with losses: baby oils, cream & lotion (−0.3 percent) and infant clothes (−9.8 percent). The losses slightly outweighed the gains and the product group ended up with a decline of 0.1 percent.

Deodorants showed a slightly accelerated, rate of growth versus the preceding period with a gain of 2.9 percent compared with +0.9 percent. Three categories showed four-week unit loss rates but these are relatively low volume universes: deodorant and talcum powders (−12.1 percent), cream deodorants (−9.7 percent) and feminine hygiene deodorants (−9.3 percent). Five categories in the deodorant product group were on the ascendancy ranging

Drawing by Debbie Tilley

from an increase of 7.6 percent for roll-ons to gains of less than one percent in the case of spray deodorants and for foot deodorants and athlete's foot remedies.

Both first aid antiseptics (+3.1 percent) and first aid products (+0.4 percent) showed four-week plusses, and the two categories combined gained 0.9 percent in contrast with a loss of 4.2 percent during the previous reporting period.

More hair

Hair care needs showed a gain of 4.2 percent with stimulated sales activity among the new hair styling mousse products. The great majority of the two million units in the hair setting needs category sold through food stores during the four weeks ending Dec. 7, 1984 were mousse products. For the first time in several months, shampoos fell into the loss column with a 28-day dip of 1.6 percent. Hair conditioning rinses were in arrears for the second period in a row and the most recent decline rate was 4.9 percent. Among hair care needs losses were home permanent kits (−14.9 percent) and hair dressing needs (−3.1 percent). Volume from new Finesse and Atune hair sprays helped to expand this category 11.1 percent, prolonging and accelerating a growth rate for these products that commenced early on in the year.

In the oral hygiene product group, there was an overall loss of half a percent in the six categories combined, primarily as a result of weakness in the mouthwash category. Toothpaste volume is finally running ahead of the corresponding levels a year earlier. The new activity among pumps is a contributing factor behind this trend reversal, and it would appear that these new items will become even larger in the category in the months to come. There were also small rates of gain for denture adhesives (+1.6 percent) and toothbrushes (+0.8 percent), while losses occurred in the breath freshener and denture cleaner categories.

SAMI tracks volume in 13 proprietary remedy categories and although unit volume for all combined was ahead one percent there were losses in nine out of the 13. The declines were double-digit in the case of the low-volume over-the-counter tranquilizer category (−24.2 percent) and for vitamins (−11.0 percent) and appetite suppressants (−17.9 percent). Lower rates of loss were found among antacids (−2.5 percent), external analgesics and chest rubs (both −1.9 percent), cough remedies (−1.1 percent), laxatives and stool softeners (−0.7 percent) and nasal sprays, drops, inhalers (−0.5 percent). These losses were more than offset by gains for eye care products (+19.7 percent), sleeping aids (+15.8 percent), cold tablets (+6.7 percent) and internal analgesics (+5.0 percent). New product activity has expanded category volume except in the case of sleeping aids.

Dull razor

Slumping sales still plague the shaving needs category, but in the most recent reporting period at least one of the five SAMI categories shows a gain: pre-shave lotions ahead 1.8 percent. Loss rates have increased to 13.9 percent for razors and blades, 8.3 percent in the case of shaving creams and stayed at −6.2 percent for the second period in a row for the high-volume razor blade category. The loss rate for the product group as a whole was 6.3 percent, just under the 6.4 percent level seen in the prior period.

The strongest performance is found among skin care aids, where unit volume rose seven percent, a substantial improvement from the 2.2 percent loss rate as of Nov. 9, 1984. New Lip Soother, Vaseline and Jergens lip care products helped to focus attention on the category as a whole and the increase of 23.1 percent was second only to the giant gain among hair setting needs caused by hair styling mousse product proliferations. S.C. Johnson's new Curel added sales spice in the hand & body cream/lotion category which advanced 12.6 percent over the level for the corresponding year ago period. The loss of 37.9 percent for suntan lotion-suntan oil loses significance when translated into dollar volume in the late fall time of year. Volume for facial preparations lagged 9.7 percent behind year earlier, just a slight improvement over the 13.2 percent loss rate for the preceding period. Sales of cosmetic and medicated skin aids were 0.4 percent behind the year ago level, which was a strong growth interval (+7.3 percent vs. 1982).

Thus there are some signs of a rally for HBA products moving into the final weeks of 1984 and, as noted, overall food store trends for health and beauty aids products, albeit weak, are faring better than any SAMI product department except for refrigerated foods. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO